

October 21, 2002

MEMORANDUM FOR ACCOUNTING SERVICES CLIENT EXECUTIVES

SUBJECT: Revision of Standard Procedures Concerning Collection of Non-Salary Civilian Employee Debt

This memorandum and the attached standard procedures establish revised policy to require installation activities to send "request for non-salary debt collection" to the accounting office (DFAS Field Site) instead of to the payroll office. The accounting office will review the collection form for correctness and proper format of the line of accounting and the document number, work with the originating office for any correction, and forward the document to the payroll office.

Accounting Directors must notify and work with their respective service customer components to ensure wide implementation of this policy. Each network will take action to implement the new procedure based on what its systems can accommodate or what manual processes must be established.

The revision to DD Form 2481 (attachment 2) has been forwarded to the DFAS Arlington Finance point of contact for inclusion in the next revision of the DoDFMR, Volume 5, Chapter 30. Once implemented, the procedures will be in effect until this revision is officially published.

In accordance with the DFAS Certification Program, each Field Site director must certify that the requirements of the standard procedures have been reviewed and implemented. Attachment 3 is a sample certification statement. Certification should be submitted by electronic mail to DFAS Arlington Accounting by November 15, 2002.

If you have any question, please contact (703) 601-3007, DSN 327-3007.

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Robert P. McNamara
Director, Accounting

Attachments:
As stated

Collection of Non-Salary Civilian Employee Debt

Standard Procedures

Purpose and Scope

This procedure designates responsibilities and prescribes policies and procedures to improve the processing of documents authorizing collection of non-salary debts for civilian employees from the Defense Civilian Pay System (DCPS).

This procedure directs installation, and other, activities to submit debt collection documents to their accounting office, which will validate the line of accounting (LOA), establish an accounts receivable, and forward the documents to the payroll office for collection.

This process will reduce problem disbursements by authorizing the accounting office to substantiate the accounting information before the payroll technician inputs the debt. The course of action will reduce rework and enable dedicated assets to focus on other customer needs.

This procedure is applicable to all Defense Finance and Accounting Service (DFAS) sites and Department of Defense activities.

Background Information

When activities determine there is a debt, they complete and send to DFAS DD Form 2481 (Request for Recovery of Debt Due the United States by Salary Offset).

Upon receipt, a payroll technician enters the information into DCPS. The collection is processed through the employee's payroll record, and the specified amount is withheld from the employee's pay in single or multiple deductions, depending on the amount and funds available.

The payroll technician is not responsible or trained to perform any accounting data validation and therefore assumes the collection document contains complete and accurate information. Given that, these forms routinely contain improper accounting data – which DCPS does not edit in a collection of this type.

Responsibilities

Accounting Directors must notify and work with their respective service customer components to ensure wide implementation of this policy.

Each accounting directorate, in conjunction with Arlington Accounting, will develop and issue the guidance necessary to ensure compliance with applicable references.

DFAS field sites should ensure compliance with all applicable guidance on accounting policy and related requirements and develop procedures that will ensure timely processing of non-salary civilian debt.

Procedures

The following procedure provides the new process flow of the DD Form 2481 and required actions by each party.

Originating Activity

The installation or originating activity determines there is a debt and completes the DD Form 2481. The activity enters the proper line of accounting and document number in block five (5) (Creditor Component Information) of DD Form 2481. The activity forwards the DD Form 2481 to its accounting office (DFAS field site).

Accounting Office

The accounting office (AO) will review the accounting data located in block five (5) [Creditor Component Information] of DD Form 2481, or other authorized document, to verify that the line of accounting and document number is in the correct and proper format.

If the LOA is not in the proper format or appears to be invalid, the accounting office will coordinate with the installation activity to ensure correct accounting data. Under normal circumstances, the accounting office should not forward to payroll any collection documents that contain errors or improper accounting classifications.

The accounting office will make a copy of the DD Form 2481 to be used for subsequent matching of disbursement and accounting records.

The office will ensure the line of accounting, including document number, is clearly readable and properly formatted for the current DCPS accounting screens. The accounting office will transmit the original DD Form 2481 to the correct payroll office for entry into DCPS for collection action on a daily basis.

Payroll Office

The payroll offices will not accept DD Form 2481 or other collection documents from any source other than a DFAS accounting office.

All DD Form 2481's received in the payroll offices will be returned to the sender with a notification that they must be forwarded to their supporting accounting office (DFAS field site) for review and approval prior to receipt by the payroll office.

References

Department of Defense Financial Management Regulation (DoD FMR) Volume 5, Chapter 30 – Debt Collection By Involuntary Salary and Administrative Offset;

Department of Defense Financial Management Regulation (DoD FMR) Volume 8, Chapter 8 – Underpayments and Indebtedness;

Department of Defense Financial Management Regulation (DoD FMR) Volume 3, Chapter 11, Section 1115 – Suspense Accounts.

Collection Document

DD Form 2481 – Request for Recovery of Debt Due the United States by Salary Offset. Form 2481 will be used with the Defense Civilian Pay System. The form is used primarily for requesting recovery of a debt by salary offset and certifying that due process has been completed when a debtor has not performed the following actions:

- Responded to a demand for payment;
- Requested a hearing; or
- Refuted the creditor component's proposed installment deductions.

Payroll System

The Defense Civilian Pay System (DCPS) is the standard Department of Defense civilian pay system. All civilian pay originates from three DCPS locations, which are as follows: DFAS Charleston, DFAS Pensacola, and DFAS Denver.

Point of Contact

The point of contact for questions and concerns regarding this standard procedure may be reached at (703) 601-3007, DSN 327-3007.

Request for Recovery of Debt Due the United States By Salary Offset							
1 Paying Agency Identification				2 Employee Identification			
a. Name				a. Name (Last, First, Middle Initial)			
b. Address (Street, City, State and Zip Code)				b. Address (Street, City, State and Zip Code)			
				c. Date of Birth		d. Social Security Number	
To liquidate a debt to the United States, the named Creditor Component asks that the debt be collected as shown from the current pay of the employee identified above. Notices and inquires concerning the debt should be sent to the address shown below.							
3. Debt Information							
a. Reason for Debt							
b. Date Right to Collect Accrued				c. Debt Identification Number, If Any			
d. Original Debt Amount		\$		e. Number of Installments		@	
						(1)	
f. Interest Due (If none, show N/A)		\$				Amount (2)	
						\$	
g. Penalty Due (If none, show N/A)		\$				\$	
h. Administrative Cost (If none, show N/A)		\$					
i. Total Collection To Be Made				j. Commence Deductions On (Enter Date)			
4. Due Process (X applicable items and either enter date action taken in Column (1) or X Column (2) or (3) and attach acknowledgement or consent.)							
		Date Action Taken (1)		Acknow ledgement (2)		Consent (3)	
a. Creditor Component 30 Day Salary Offset Notice							
b. Employee Did Not Respond (Consent assumed)							
c. Employee Requested A Hearing							
I Certify the following: (1) The debt identified above is properly due the United States from the named employee in the amount shown; (2) This Agency's regulations implementing 5 U.S.C. 5514 have been approved by the Office of Personnel Management; and (3) The information concerning this Component's and the employee's actions is correct as stated.							
5. Creditor Component Information							
a. Name							
b. Address (Street, City, State and Zip Code)							
c. Accounting Classification (Line of Accounting)							
d. Document Number							
e. Certifying Official							
(1) Signature				(2) Date Signed			
(3) Title				(4) Telephone Number			
6. DFAS Accounting Office							
a. Office and Symbol				b. Date			